

STATE TRANSPORTATION PRESERVATION ACT OF 1976 (EXCERPT)
Act 295 of 1976

474.60f Application of scoring mechanism; opening sealed envelope; evaluation of proposal; selection of bidder; failure of bidder to accept award; retention of guaranty as liquidated damages; return of certified checks or surety bonds to unsuccessful bidders; agreement.

Sec. 10f. (1) Without opening the sealed envelope, the bureau shall apply the scoring mechanism described in section 10e(1) to select the bidders for further consideration.

(2) For each proposal accepted under subsection (1), the bureau shall open the sealed envelope and evaluate the full proposal. The bureau shall select the bidder to operate the segment based upon a combination of the score, using the mechanism described in section 10e(1), and bid price that yields the greatest likelihood of providing efficient and reliable rail service and the highest compensation for the segment. If the bureau does not select the bidder who offers the highest consideration, it shall provide a written explanation of its decision. If a bidder does not offer consideration equal to or greater than the segment's net liquidation value, then the bureau shall reject that proposal.

(3) Unless all proposals are rejected as provided in subsection (2), the bureau shall select an approved bidder within 30 days of the deadline for the submission of proposals.

(4) If the approved bidder does not accept an award of a segment under subsection (3), then the proposal guaranty provided under section 10e(2)(g) shall be retained by the bureau as liquidated damages for the costs and losses which the bureau incurs but which cannot be precisely calculated, unless the bureau determines that the bidder has made a compelling showing of good cause to excuse the failure to accept the award.

(5) The department shall return to all unsuccessful bidders the certified checks plus interest earned or surety bonds that are submitted as the bidder's proposal guaranty provided under section 10e(2)(g).

(6) Unless extended by the bureau for good cause, the approved bidder shall enter into an agreement with the bureau and shall take possession of the segment and begin operations within 120 days after the notification of its approval. The agreement shall not be executed until all necessary approvals are obtained from the state transportation commission and the state administrative board.

History: Add. 1998, Act 235, Imd. Eff. July 3, 1998.